

At least, that's how I interpreted it. I resolved then that I would never be our time's analog of a World War II American Jew—you know, all those who read today's papers, see what's happening to Israel, mutter "tsk, tsk," and then turn the page, mentally pressing "delete" and moving on to the next article.

public relations — about the Middle East, Israel and false "Palestinian" narratives; • Condemnation of terrorists dedicated to eliminating the Jewish state, as well as their enablers, who revile Israel for actions they accept when taken by Israel's enemies; and • Categorical rejection of agreements

aligned, membership focused on raising an unwavering voice in support of Israel.

Within days of its launch in the middle of July, thousands made their way to our site, asking how to join and how they can help. News articles are being written about Z Street from the far right and the center, and we have been viciously deni-

lead to Middle East or global peace.

I sleep better knowing that when my grandchildren ask me what I did to help prevent the destruction of Israel, I'll be able to tell them. ♦

Lori Lowenthal Marcus is co-founder of Z Street.

Calibrating What Effect N.J. Scandals Will Have on Jewish Organizations

KENNETH H. RYESKY

On Aug. 11, 2004, while leading a continuing legal education seminar sponsored by Gratz College, I predicted that charities and other tax-exempt organizations could expect more stringent oversight by the Internal Revenue Service and the U.S. Congress, and that such official attention would come to affect Jewish communal life.



Unmistakable signals of a coming crackdown had been apparent in the preceding months, including but not limited to speeches and testimony by high-ranking IRS officials. The crackdown on the tax-exempts was launched, and continues apace to this day.

But lately, many of us in the profession have received a nagging hunch that synagogues and other Jewish groups — particularly those connected with Israel — were and are being singled out for special attention. We have seen our clients receive more requests for verifications, keener auditor interest in bank records and more detailed queries regarding organizational operations.

The recent mass arrest of politicians and rabbis in New Jersey and Brooklyn, coming on the heels of a tentative plea agreement by a Brooklyn Chasidic rabbinical leader in an unrelated Los Angeles tax-fraud case, effectively confirmed that our fears have been more than just the usual "Jewish paranoia."

The shady dealings of a relative few have, in fact, cast a cloud over Jewish tax-exempt organizations. The IRS has reacted accordingly by working with the FBI to scrutinize more intensely yeshivas and Jewish charities.

The practice of tzedakah is inextricably tied to Jewish life and thought. (Even nonreligious Jews practice charitable giving of one sort or another.) Accordingly, organizations that carry out charitable works have long been integral parts of our community.

Moreover, groups like these are almost always exempt from taxation under the Internal Revenue Code, and donors receive favorable tax-deduction treatment for what they give. Any difficulties in the tax-exempt sector are thus bound to affect the Jewish community.

There's good reason for the authorities to focus on tax-exempt entities. Tax-exempts can be — and are — used in tax-evasion schemes. Moreover, information changes hands whenever money does. That information is often invaluable to effective law-enforcement and anti-terrorism activities. Accordingly, keeping watch over the tax-exempt sector has obvious benefits.

To be sure, the recently arrested individuals have yet to be found guilty, and their exoneration would certainly be a most welcome development. But even the mere suspicion of a rabbi or a yeshiva or other Jewish entity redounds to the detriment of the Jewish community at large, if only in the enhanced degree of scrutiny and attention our organizations receive from the taxation and law-enforcement authorities.

American tax-exempt organizations are now playing a new ballgame in a new ballpark. There are more regulations, more interactions with bureaucrats and more chances of losing tax-exempt status for failure to comply with the added rules. Indeed, the IRS has of late been withdrawing the organizations' tax exemptions in greater numbers than in the past (and therefore, tax advantages for the donors). Above all, greater accountability is imposed upon the tax-exempts and the individuals who operate them.

Jewish communal institutions cannot continue with a "business-as-usual" attitude. Their tax-exempt status — and consequent ability to affect charitable, religious and educational ventures — is at stake. They now need to operate with more candor, transparency and attention to detail.

Moreover, the various Jewish "umbrella organizations" — such as synagogue and rabbinical groups, Jewish federations and advocacy organizations — should go beyond issuing condemnatory statements regarding the recent New Jersey indictments. Such groups need to become unabashed advocates of law abidance and tax compliance by providing their constituent agencies with guidance, education and other programs to foster the proper operation of individual tax-exempt organizations.

There likely will be additional repercussions from the New Jersey indictments. Given the key role played by Jewish tax-exempts, the community's response to the indictments must include addressing — proactively — the integrity, reputation and sound workings of its numerous tax-exempt organizations. ♦

Kenneth H. Ryesky is a lawyer who teaches taxation courses at Queens College CUNY. He formerly served as an attorney for the Internal Revenue Service.